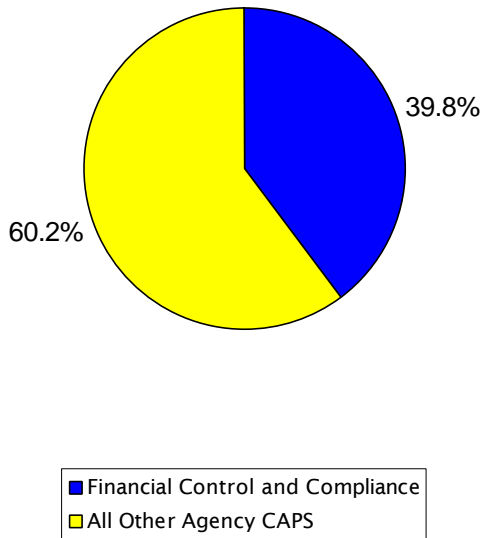


## 06-01-Financial Control and Compliance

Fund/Agency: 001/06	Department of Finance	
Personnel Services	\$1,500,809	<b>CAPS Percentage of Agency Total</b>  <b>39.8%</b> <b>60.2%</b> <div><span>■ Financial Control and Compliance</span> <span>■ All Other Agency CAPS</span></div>
Operating Expenses	\$1,064,202	
Recovered Costs	\$0	
Capital Equipment	\$6,500	
<b>Total CAPS Cost:</b>	<b>\$2,571,511</b>	
Federal Revenue	\$0	
State Revenue	\$89,934	
User Fee Revenue	\$0	
Other Revenue	\$0	
<b>Total Revenue:</b>	<b>\$89,934</b>	
<b>Net CAPS Cost:</b>	<b>\$2,481,577</b>	
Positions/SYE involved in the delivery of this CAPS	25/25	

### ► CAPS Summary

Financial management support is delivered throughout the County on a decentralized basis. Each department and agency designs support structures they find most responsive to their mission and needs. To meet the Director of Finance's statutory responsibility for the conduct of financial operations, essential procedures and controls have been developed and interdisciplinary teams of specialists serve decentralized needs from the Department of Finance. This small team of specialists assists nearly one hundred agencies in performing many core financial operations. Equally important, they assure the safety of County assets, the integrity of information in the financial systems, and they provide management with the tools needed for efficient utilization of resources.

The Financial Control and Compliance Program focuses on safeguarding the County's funds by ensuring all agencies comply with sound financial and accounting practices and fiscal integrity standards by:

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- Developing and overseeing all agencies' adherence to financial policies and procedures in areas such as travel, procurement card usage, and petty cash.
- Assessing agency compliance with established internal fiscal controls.
- Managing the County's financial suite of information systems for accounting, accounts payable, and fixed assets. These systems are utilized by over one thousand users. Controls require that only authorized personnel have the appropriate security and access to the systems to perform critical financial activities. The financial systems provide automated controls that ensure Board of Supervisor approved appropriations are not exceeded, funds for purchase orders are encumbered, and that only properly authorized payments are released.

In support of this mission, a team of people with experience in the substantive areas being supported is trained and qualified in the information systems used for financial support. This team assists users through problem resolution, training, specialized reporting, and system modification when appropriate. This team is the in-house resource for system upgrades, testing, integrity assurance, and security control.

Increasingly expanded technology tools present both opportunities and challenges in this CAPS. New tools such as Enterprise Resource Planning solutions, web-based services and locally designed data processing promise increased efficiency. The challenge is to implement these tools in an environment of sound internal controls.

Since 1997, the County implemented in cooperation with the Fairfax County Public Schools, a comprehensive suite of financial applications that have enabled a more efficient workflow, automated ways to guarantee separation of duties, enhanced internal controls, and streamlined business processes. With this foundation the County is looking to further integrate its financial applications for more comprehensive reporting. Agencies are looking for the ability to produce "just-in-time" reports, more specialized analyses, and metrics to meet the ever-changing demands of their businesses.

With the advent of additional payment options such as the procurement card, agency reconciliation of financial information is increasingly critical to a sound operation. The biggest change over the last few years is the increased demand for more electronic processing solutions and the real-time access to financial information.

We are able to provide our customers effective solutions to meet their needs. Constant communication with them on where we are in this changing environment is critical. Our goal is to provide our customers a "cafeteria" of proven state-of-the-art technology solutions. Fortunately, many of our customers are challenged by the same demands and therefore readily work with us and accept the implementation pace of new innovative, technology solutions.

A particularly satisfying accomplishment in this program has been extraordinary success in locating individuals holding uncashed County checks. By so doing, funds that otherwise would escheat to the Commonwealth are delivered to their rightful owners.

### ► **Method of Service Provision**

This CAPS is provided directly by County staff.

► **Performance/Workload Related Data**

Soundness of internal controls is the keystone of financial operations. The Department of Finance designs, tests, monitors, and maintains a number of control processes serving over 1,200 FAMIS and FAACS users and some 270 users of the accounts payable features of the procurement system CASPS. In assuring the integrity of financial systems, security profiles are maintained for all users and staff adds, deletes or modifies over 200 profiles annually. Staffing and the cost of systems administration, security, and reporting has remained steady, but for inflation over the past several years. Staff designs and maintains over 150 monthly reports of financial activity supporting all agencies. In support of special needs at certain agencies, this CAPS facilitates electronic data transfer from agency sub-systems to the central suite of financial systems. Some 60 computer interfaces between systems are managed and controlled by staff in this CAPS.

Increased demand for training and for assisting agency users has been offset by efficiencies in use of on-line reporting and agency-managed data transfers. There has been an increase of one staff position for the purpose of participating on an inter-agency support and compliance team. Primarily formed to prevent waste, fraud, and abuse, this team will also develop and share information on best practices among County agencies, improving decentralized operations while avoiding costs due to duplication and non-compliance with regulation or law. In this program, on-site consultations and reviews will be conducted at each agency at least biennially, with annual visits scheduled for some agencies, based on a risk assessment.

Bank account reconciliation workload has remained constant, but efficiency increases have more than offset the inflation factor. Through the use of Internet access to bank information and by automating many tasks, staff has reduced the number of unresolved bank charges greater than 90 days old from 20 percent in FY 1999 to 15 percent in FY 2001. This effort also permitted staff to complete bank reconciliations within a 45-day target some 80 percent of the time. By resolving outstanding items sooner and completing reconciliations promptly the opportunity for fraud decreases and the County is able to identify funds that can be invested sooner. Improvements in these control measures have lowered the cost of the external audit.

► **Mandate Information**

This CAPS is Federally or State mandated. The percentage of this CAPS' resources utilized to satisfy the mandate is 26 - 50%. The specific Federal or State code and a brief description of the code follows:

- Code of Virginia 11-62.2 Requires prompt payment of county obligations upon completed delivery of goods and services.
- Code of Virginia 55-210.1 Mandates due diligence in pursuit of owners of unclaimed property.